



Recommendation for Action

File #: 21-2684, Agenda Item #: 20.

8/26/2021

Posting Language

Authorize the negotiation and execution of a fifth amendment to the lease agreement extending the term for 60 months, with one 60-month extension option, with LCG Techni Center, LLC, a Delaware limited liability company, for the continued operation of a warehouse space for approximately 5,000 square feet, located at 6014 Techni Center Dr., Suite 102, in an amount not to exceed \$242,400.

Lead Department

Office of Real Estate Services.

Fiscal Note

Funding in the amount of \$45,900 is available in the FY 2021-2022 Operating Budget of Austin Police Department, contingent on Council's adoption of the FY 2021-2022 budget. Funding for the remaining lease term is contingent upon available funding in future budgets.

Prior Council Action:

September 20, 2018, Council authorized a fourth amendment for 36-month lease extension.

August 22, 2013, Council authorized a third amendment for 60-month lease extension.

March 11, 2010, Council authorized a second amendment for 36-month lease extension.

June 21, 2007, Council authorized a first amendment for 36-month lease extension.

March 4, 2004, Council authorized a lease agreement for 38-months.

For More Information:

Megan Herron, Office of Real Estate Services, 512-974-5649; Michael Gates, Office of Real Estate Services, 512-974-5639, Troy Gay, Austin Police Department, 512-974-5030.

Additional Backup Information:

This lease extension will continue to provide 5,000 square feet of secured warehouse space for APD.

The base rent rate for year one of the proposed amendment will start at \$0.76 per square foot per month. The monthly rental expense is inclusive of taxes, insurance, and common area maintenance. APD will be responsible for its utilities and trash and recycling services, and interior maintenance and repairs.

The cost per square foot is within the market rate per a rent study conducted by a third-party appraiser.

City-owned space is the preferred recommendation for location of City Departments. Due to the immediate need and the intended use of the property, a lease extension with a competitive market rental is generally the only available option.

Time Period	Base Rent/SF/Month	Monthly Base Rent	Annual Base Rent
10/1/2021 - 9/30/2022	\$0.76	\$3,800	\$45,600

10/1/2022 - 9/30/2023	\$0.79	\$3,950	\$47,400
10/1/2023 - 9/30/2024	\$0.81	\$4,050	\$48,600
10/1/2024 - 9/30/2025	\$0.83	\$4,150	\$49,800
10/1/2025 - 9/30/2026	\$0.85	\$4,250	\$51,000
Total			\$242,400

Strategic Outcome(s):

Economic Opportunity and Affordability.